

## Message Text

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ORIGIN EB-08

INFO OCT-01 EUR-12 IO-13 ISO-00 L-03 JUSE-00 SIG-03  
AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03  
H-01 INR-10 INT-05 LAB-04 NSAE-00 NSC-05 PA-01  
CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00 ICA-11  
SP-02 SOE-02 OMB-01 DOE-15 FTC-01 /130 R

DRAFTED BY EB/IFD/BP:T A SCHLENKER:VJW  
APPROVED BY EB/IFD/BP:H J WINTER  
EUR/RPE - R LAMANTIA  
L/EB - C ROH  
JUSTICE - R SHANNON

-----106589 121404Z /44

R 121317Z JUL 78  
FM SECSTATE WASHDC  
TO AMEMBASSY BRUSSELS  
INFO AMEMBASSY BONN  
AMEMBASSY COPENHAGEN  
AMEMBASSY DUBLIN  
AMEMBASSY THE HAGUE  
AMEMBASSY LONDON  
AMEMBASSY LUXEMBOURG  
AMEMBASSY PARIS  
AMEMBASSY ROME  
USMISSION GENEVA

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USEEC FOR ACTION, EMB FOR INFO; USMTN

E.O. 11652: GDS

TAGS: EIND, EPAP, ETRD, GW

SUBJECT: EC PROPOSED CARTELIZATION OF CHEMICAL FIBER  
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INDUSTRY

REF: A) BONN A-165, 6/15/78; B) BRUSSELS 13150

1. DEPARTMENT HAS BEEN INFORMED BY DEPARTMENT OF JUSTICE  
(DOJ) THAT ANTITRUST DIVISION IS CURRENTLY INVESTIGATING  
POSSIBLE ANTICOMPETITIVE PRACTICES IN MAN-MADE FIBER

INDUSTRY. ONE OBJECT OF ITS ATTENTION IS PROPOSED EUROPEAN "CRISIS CARTEL" IN SYNTHETIC FIBERS, WHICH MAY BE APPROVED BY EUROPEAN COMMUNITY AND GRANTED AN EXEMPTION FROM COMMUNITY'S ANTITRUST LAWS. AT PRESENT, DOJ IS MERELY MONITORING EUROPEAN PROPOSALS TO SEE IF AMERICAN FIRMS WILL BE INVOLVED AND TO SEE IF PROPOSED CARTEL WILL AFFECT UNITED STATES COMMERCE. PURSUANT TO THIS, JUSTICE IS WRITING TO COMMISSION OF EUROPEAN COMMUNITY (COMPETITION DIRECTORATE) FOR INFORMATION ON PROPOSED CARTEL.

2. THE ANTITRUST DIVISION'S LETTER TO WILLY SCHLIEDER, DIRECTOR GENERAL OF THE COMPETITION DIRECTORATE (DG IV), READS AS FOLLOWS: QUOTE THE DEPARTMENT OF JUSTICE HAS NOTED THE PROPOSALS MADE IN THE EUROPEAN COMMUNITY TO SUSPEND APPLICATION OF ARTICLE 85(1) OF THE TREATY OF ROME WITH RESPECT TO CERTAIN "CRISIS CARTELS." WE HAVE NOTED WITH PARTICULAR INTEREST THE PROPOSAL FOR A MAN-MADE FIBER CARTEL. PUBLISHED REPORTS HAVE MENTIONED THAT SOME OBSERVERS BELIEVE THE PARTICIPATION OR COOPERATION OF CERTAIN AMERICAN FIRMS IS NECESSARY TO THE SUCCESS OF SUCH A CARTEL. WE ARE INTERESTED IN WHATEVER INFORMATION YOU CAN PROVIDE ABOUT THE GOALS, PLANS, AND ORGANIZATION OF THIS FIBER CARTEL. SOME OF THE OBVIOUS QUESTIONS THAT ARISE ARE: WHAT ROLE, IF ANY, WILL THE EUROPEAN COMMUNITY OR THE MEMBER GOVERNMENTS HAVE IN THE CARTEL, AND WILL THE CARTEL CONTROL, DIRECTLY OR INDIRECTLY, THE DESTINATED OFFICIAL USE

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TION, ORIGIN, QUANTITY, OR PRICE OF EUROPEAN EXPORTS OR IMPORTS OF MAN-MADE FIBER? WILL THE CARTEL COVER ALL MAN-MADE FIBERS, INCLUDING CELLULOSIC FIBERS? WILL AMERICAN FIRMS OR AMERICAN SUBSIDIARIES OF EUROPEAN FIRMS BE REQUESTED TO PARTICIPATE EITHER FORMALLY OR INFORMALLY IN THE CARTEL? PLEASE SEND US A COPY OF ANY PROPOSED EC REGULATIONS APPLICABLE TO THE MAN-MADE FIBER CARTEL. UNQUOTE

3. LETTER TO SCHLIEDER WAS SENT VIA INTERNATIONAL MAIL JULY 7. ABOVE INFORMATION IS FOR POSTS' BACKGROUND. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CHEMICALS, FIBERS, CARTELS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE175402  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** T A SCHLENKER:VJW  
**Enclosure:** DG ALTERED  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780285-0618  
**Format:** TEL  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1978/newtext/t19780768/aaaacflg.tel  
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**Litigation Codes:**  
**Litigation History:**  
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**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 BONN A-165, 78 BRUSSELS 13150  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2033159  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC PROPOSED CARTELIZATION OF CHEMICAL FIBER LIMITED OFFICIAL USE LIMITED OFFICIAL USE  
**TAGS:** EIND, EPAP, ETRD, GE  
**To:** BRUSSELS  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/d0db7e76-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014